



Arnold Schwarzenegger
Governor

April 19, 2010
22M:385:DEJ:1038

Mr. Phillip L. Dunn, Executive Director
Foothill Workforce Investment Board
1207 East Green Street
Pasadena, CA 91106

Dear Mr. Dunn:

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)
SUMMER YOUTH PROGRAM
FINAL MONITORING REPORT
PROGRAM YEAR 2009

This is to inform you of the results of our review for Program Year (PY) 2009 monitoring review of the Foothill Workforce Investment Board's (FWIB) ARRA Summer Youth Program (SYP). This review was conducted by Mr. David Jansson from July 27, 2009 through July 31, 2009. Our review consisted of interviews with your staff and a review of the following items: expenditures charged to the ARRA SYP, oversight of your subrecipients, and procurement transactions. In addition, we interviewed service provider staff, SYP participants, and worksite supervisors, and focused on the following areas of your ARRA SYP: eligibility determination, program operations, participant worksites, participant payroll processing, and oversight.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by FWIB with applicable federal and state laws, regulations, policies, and directives related to the ARRA grant.

This report includes the results of our review of sampled case files, FWIB's response to Sections I and II of the ARRA SYP On-site Monitoring Guide, and a review of applicable policies and procedures for PY 2009.

We received your response to our draft report on November 23, 2009, and reviewed your comments and documentation before finalizing this report. Because your response did not adequately address the finding cited in the draft report, we consider this finding unresolved. We requested that FWIB provide the Compliance Review Office (CRO) with a corrective action plan (CAP) to resolve the issue that led to the

finding. Therefore, this finding remains open and has been assigned Corrective Action Tracking System (CATS) number 10033.

BACKGROUND

The FWIB allocated all of its \$616,436 ARRA Youth allotment to serve 310 SYP participants. As of the week of September 30, 2009, FWIB expended \$378,874 to serve 322 SYP participants.

ARRA SYP REVIEW RESULTS

While we concluded that, overall, FWIB is meeting applicable ARRA requirements, we noted an instance of noncompliance in the area of selective service registration. The finding that we identified in this area, our recommendation, and the FWIB's proposed resolution of the finding is specified below.

FINDING 1

Requirement: Workforce Investment Act (WIA) Section 189(h) states, in part, that each individual participating in any program or activity established under this title, or receiving any assistance or benefit under this title, has not violated Section 3 of the Military Selective Service Act (MSSA) by not presenting and submitting to registration as required pursuant to such section.

Observation: We observed in 2 out of 31 case files reviewed that FWIB did not obtain adequate documentation regarding registration with MSSA. In one case, the 18 year-old male's Selective Service System (SSS) account was researched via internet; the individual was not registered. In the second instance, the individual's case file included an internet printout from the SSS relating the message that there was a problem with that individual's social security number. No other SSS substantiation or clarification documentation was in the case file.

Recommendation: We recommended that FWIB provide documentation to the CRO that demonstrates compliance with WIA Section 189, or substantiates each of the individual's current SSS registration status is acceptable for participation in WIA programs and services. We also recommended that FWIB provide CRO a CAP outlining how, in the future, no male 18 or over, will be provided WIA programs and services prior to acceptable SSS registration status.

FWIB Response: FWIB provided a copy of the SSS's Registration Acknowledgment Card received by the participant directly from the SSS. That document substantiated that the participant obtained registration with SSS prior to receiving WIA services.

In the second instance, FWIB stated that the participant had an obvious disqualifying handicap. That, along with the participant's Individual Education Plan, led FWIB staff to make the determination that it was not necessary that he register with the SSS. Further, FWIB staff believes that making this determination is based on the authority to do so as stated in DOL Training and Employment Guidance Letter (TEGL) No. 8-98, Section 4(b).

State Conclusion: FWIB's response included sufficient documentation to resolve the first case.

In the second case; WIA Section 189(h) requires that a determination of selective service registration status be made prior to enrollment in WIA Title I-B funded programs. All males who are at least 18 years of age and born after December 31, 1959, and who are not in the armed services on active duty, must be registered for the Selective Service. A youth who becomes 18 years of age while participating in a WIA program must register within 30 days of his 18th birthday. This participant was not registered with SSS prior to or during his SYP participation.

The MSSA Section 6, states, in part, that disabled men who live at home must register with Selective Service if they can reasonably leave their homes and move about independently. A friend or relative may help a disabled man fill out the registration form if he can't do it himself.

Regarding FWIB's interpretation that TEGL 8-98 provides the authority to make the determination of whether or not to register with SSS is incorrect. TEGL 8-98 specifically states that males between the ages of 18 and 26 are required to register, but have not registered, and have not yet reached their 26th birth date, should be referred to SSS for registration prior to enrollment in services. The TEGL is specific about the authority a LWIA has, that they have the authority to review and determine whether or not the applicant has provided sufficient documentation, along with his reasons for not

registering if over the age of 26. A LWIA does not have the authority to determine if an 18 to 26 year needs to register with SSS.

Therefore, we recommend that FWIB ensure that the individual has registered for SSS if the individual is still enrolled in ARRA program or provide documentation that the individual exited the program and is no longer receiving ARRA services. Furthermore, we again recommend that FWIB provide a CAP outlining how, in the future, they will ensure that SSS registration documentation is obtained for all mandatory registrants between 18-26 years of age.

Please provide the requested documentation to the CRO. This issue remains open and has been assigned CATS number 10033.

Due to the short period of time the 2009 SYP was in operation the above corrective actions were requested in the exit conference in order the corrective action could be taken immediately. We are providing you up to 10 working days after receipt of this report to submit to the Compliance Review Office your response to this report. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than April 30, 2010. Please submit your response to the following address:

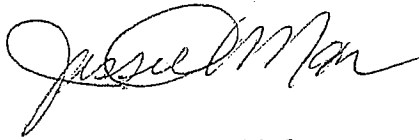
Compliance Monitoring Section
Compliance Review Office
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all the areas included in our review. It is FWIB's responsibility to ensure that its systems, programs, and related activities comply with the ARRA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain FWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-1292.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jessie Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Ruby Cohen, MIC 50
Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Georganne Pintar, MIC 50